



Compensation Discussion & Analysis

May 31, 2013

Part I – Framework for Total Compensation

Compensation Plan

Fraser Health uses the health sector's *Compensation Reference Plan* as the framework for its compensation program that covers individuals in the Management & Management Support (Excluded) employee group (Excluded Compensation). The *Compensation Reference Plan* has three components:

- **Job Evaluation.** A common Job Evaluation Plan is in place for health employers to assess the level of responsibility, skills and qualifications required of a job. The evaluation determines the appropriate salary range that is set for a job. Fraser Health assesses the jobs and the Health Employers Association of BC (HEABC) reviews to ensure consistency of application.
- **Salary Ranges.** Health employers use common salary ranges. Each salary range has a minimum and maximum amount. Individual salaries are set between these two amounts. The salary ranges are used to set compensation for all excluded roles up to, but excluding, the Chief Executive Officer.
- HEABC conducts a compensation survey on behalf of health employers. The survey collects compensation information from employers in the health, public and private sectors. The survey data is used to support recommendations to the Public Sector Employer's Council (PSEC) for approved salary ranges. PSEC approves salary ranges based on a guidelines set by the Government and the recommendations from HEABC.
- The *Compensation Reference Plan* set a goal for salary ranges to be based on the market average, referred to the 50th Percentile. This was deemed to be a fair and defensible level of compensation. Over the past number of years, however, the salary ranges have been established based on factors that include market surveys, public sector bargaining and overall financial mandates set by Government. As such, for a range of positions, the salary ranges now reflect compensation levels that for some positions are below the market average or 50th Percentile. Despite this shortfall, Fraser Health establishes salaries within the approved salary ranges.
- Fraser Health establishes individual compensation rates within the limits of the approved salary ranges. Annual salary reviews take place in conjunction with a formal performance management program, and individuals are eligible for salary increases based on performance, general guidelines on maximum increases to guide health care employers, and available room on the specific salary range.
- The job evaluation and salary ranges do not include that for the Chief Executive Officer. The total compensation allowable for the Chief Executive Officer is established by the Ministry of Finance as part of a Province-wide Public Sector CEO Compensation initiative. Any amendments to existing CEO compensation plans must be approved by the Minister Health, prior to seeking approval from the Minister of Finance.
- **Compensation Guidelines.** Common guidelines help to establish consistency in compensation practices across health employers. Fraser Health uses the guidelines to guide its administrative practices as well as the framework for employment contracts.

Framework for Compensation

Fraser Health

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- The terms and conditions of employment for Fraser Health Executives are outlined in individual employment contracts. All employment contracts are filed with the Public Sector Employers' Council Secretariat via an on-line process and made available for disclosure at Fraser Health's Corporate Office.

Benefits

Fraser Health provides a standard package of employee health and welfare benefits to its Management & Management Support employees. Benefits include Medical Service Plan Premiums, Long Term Disability, Short Term Illness, Sick Leave, Life Insurance, Accidental Death & Dismemberment (AD&D), Extended Health, Dental Plan and enrollment in the Municipal Pension Plan. Premiums are employer paid. Individuals have the option to purchase additional insurance benefits on an employee paid premium basis.

Senior Executives benefit plans provide different coverage from the plans for the Management & Management Support (Excluded) employee group. Primary differences include Insurance and AD& D (five times annual salary rather than three times annual salary) and dental (major services and orthodontic services reimbursed at 100% rather than 75%).

Perquisites

A Car Allowance of \$500 per month is provided to the President & Chief Executive Officer.

Part II – Discussion on Total Compensation Reported

Total Compensation – Chief Executive Officer

The total compensation reported for Dr. Nigel Murray reflects compensation, employer paid benefit premiums, a car allowance, a lump sum incentive payment. The incentive payment is part of a performance plan where objectives and results are assessment by the Board. The President & Chief Executive Officer is eligible for an incentive plan payment of up to \$30,000 based on performance assessed by the Board.

Total Compensation – Other Executives

Base Salary, Pension, and all other compensation is reported for the four highest ranking administrators/executives on the attached Summary Compensation Table.

Summary Compensation Table at FISCAL, 2013

Name and Position (a)	Salary (b)	Bonus and / or Incentive Plan Compensation (c)	Benefits (d)	Pension (e)	All Other Compensation (expanded below)	2012/13 Total	Previous Two Years Totals	
							2011 / 12	2010 / 11
Nigel Murray, President & CEO	\$ 348,660	\$ 30,000	\$ 31,047	\$ 28,316	\$ 6,000	\$ 444,023	\$ 438,348	\$ 444,426
Brian Woods, VP, Corporate Services Integration	\$ 298,584	\$ -	\$ 26,588	\$ 24,628	\$ -	\$ 349,800	\$ 345,200	\$ 355,243
Andrew Webb, VP Medicine	\$ 271,440	\$ -	\$ 24,171	\$ 24,430	\$ -	\$ 320,040	\$ 315,850	\$ 327,587
Barbara Korabek, VP Clinical Operations	\$ 9,614	\$ -	\$ 858	\$ 1,210	\$ 26,871	\$ 38,553	\$ 300,220	\$ 291,449
Arden Krystal, VP Clinical Operations	\$ 3,611	\$ -	\$ 322	\$ 121	\$ 21,747	\$ 25,800	\$ 300,220	\$ 291,442
Geoffrey Crampton, VP People & Organizational Dev.	\$ 252,389	\$ -	\$ 22,474	\$ 22,419	\$ -	\$ 297,282	\$ -	\$ -
Philip Barker, VP Infomatics	\$ 249,441	\$ -	\$ 22,212	\$ 23,346	\$ -	\$ 295,000	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Summary Other Compensation Table at FISCAL, 2013

Name and Position (a)	All Other Compensation	Severance (f)	Vacation payout (g)	Leave payout (h)	Vehicle / Transportation Allowance (i)	Perquisites / other Allowances (j)	Other (k)
Nigel Murray, President & CEO	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000	\$ -	\$ -
Brian Woods, VP, Corporate Services Integration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Andrew Webb, VP Medicine	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Barbara Korabek, VP Clinical Operations	\$ 26,871	\$ -	\$ 26,871	\$ -	\$ -	\$ -	\$ -
Arden Krystal, VP Clinical Operations	\$ 21,747	\$ -	\$ 21,747	\$ -	\$ -	\$ -	\$ -
Geoffrey Crampton, VP People & Organizational Dev.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Philip Barker, VP Infomatics	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ATTENTION - Crown Agency Policy changes are being implemented. They may not be reflected in the 2012/13 executive compensation disclosure.

Notes:

- Previous 2010/11 & 2011/12 Compensation not shown for G. Crampton & P. Barker - individuals were not on the previous reports.
- Fraser Health does not have a Bonus Plan for its Management & Management Support Employee Group.
- Incentive Plan for Chief Executive Officer based on performance criteria, assess by the Fraser Health Board.
- Chief Executive Officer, Other Compensation is a Car Allowance.
- Both Barbara Korabek and Arden Krystal left the organization in April 2012.